

Assessment Process

The City Assessor has three major duties; to discover, list and estimate the value of all taxable property within the jurisdiction of the city. To insure that all property is treated uniformly, the Assessor's procedures must conform to State laws dealing with property taxation. Furthermore, commonly accepted appraisal and accounting practices must be used.

Discovering Property

The Assessor must maintain accurate maps identifying each parcel of land in the city. So there are no omissions, great care is taken to insure that these maps are kept up to date. The Assessor maintains close coordination with other city offices to keep informed of building activity. Finally, constant attention must be given to businesses that sell, move, or come into the city to insure that all property receives an equitable assessment.

Listing property

So that your property is not confused with another property, the Assessor must establish a record showing you as the owner. The office records your mailing address, describes the property in detail, prepares a legal description and identifies your property on an Assessor's map by parcel number. When values are finally estimated and listed on the annual assessment roll, they must be classified as residential, commercial, manufacturing or agricultural. This information is listed on the assessment roll and is open to public inspection.

Valuing Property

Estimating the market value of your property is simply a matter of determining the price most people would pay for it in its present condition. However, the Assessor has the job of valuing all of the houses, shopping centers, office buildings, and apartment units in Sturgeon Bay. This includes estimating the value of all of the office equipment and fixtures.

But it doesn't stop there. Each year the Assessor has to do the whole thing over again, because the market value of almost everything changes from one year to the next, as we all know. This is done so that the costs of schools, fire and police protection, health and recreational facilities and other public services can be prorated over all taxable property in the city. Your share of the cost of these services is based upon the value of your property relative to the total value of all property in the city. The value of your property, as determined by the Assessor, is called the "assessed value."

How the Assessor goes about valuing property

To find the value of any piece of property the Assessor must first know what properties similar to it are selling for, what it would cost today to replace it, how much it takes to operate and keep it in repair, what rent it may earn, and many other dollar factors affecting its value, such as the current rate of interest charged for borrowing the money to buy or build properties like yours. Using these facts the Assessor can then go about estimating the property's value in three different ways.

The market approach

The first way is to find properties like yours, which have been sold recently. Their selling prices, however, must be analyzed very carefully to get at the true picture. One property may have sold for more than it was really worth because the buyer was in a hurry to occupy the property and would pay any price to get in. Another may have sold for less money than it was actually worth because the owner needed cash right away and was willing to sell to the first buyer who made an offer.

Using this approach (comparing the selling prices of properties similar to yours) the Assessor must always consider such over/under pricing to arrive at a fair evaluation of your property's value. Various statistical procedures are employed in this process.

The cost approach

The second way the Assessor can go about this is based on how much money it would take, at current material and labor costs, to replace your property with one just like it. If your property is not new, the Assessor must also determine how much depreciation it has suffered.

The income approach

The third method is used in addition to the other two if you happen to own property that provides you with a rental income, like an apartment house, a store, or an office building. Here the Assessor must consider such dollar factors as your operating expenses, taxes, insurance, maintenance costs, the degree of financial risk you have taken in earning income from your property, and finally, the return most people would expect to realize on this kind of property.

Of course, if your property is the home you live in, the third approach cannot be used since you derive no income from it. But in any case, you can be sure the Assessor carefully considers all the available, reliable monetary factors pertaining to your property.

Why assessed value changes from year to year

When market value changes, naturally so does assessed value. For instance, if you were to increase the total market value of your property by building a garage, or adding a family room, the assessed value would increase. Similarly, should a fire decrease your property's value, the assessed value would decrease to show the downward effect of this damage on the market value of your property.

For any number of reasons a neighborhood, or a particular house style, may become very popular, thus causing market values to rise at higher than average rates. The Assessor must constantly stay alert to spot these trends. Inflation and the economy of the entire community also affect your assessed value. We all know that as building material, labor and the cost of money increases, the value of the existing housing stock also increases. The Assessor has not created this value. People have established value by their transactions in the market place. It is the Assessor's responsibility each year to adjust existing assessments to keep pace with the market.

Assessed value & the tax rate

The Assessor's primary responsibility is to find the fair market value of your property, so that you and other taxpayers may contribute a fair share of support for the community services you receive. For these services to continue, other agencies, as well as the City, must levy taxes. The other taxing agencies include the Sturgeon Bay, Southern Door, and Sevastopol School Districts, Door County, and Northeast Wisconsin Technical College. Here again, state laws define the powers of these taxing agencies and the kinds of properties that are exempt from taxes, such as schools, scout camps, and churches. Taxes levied by these other agencies are included in your tax bill with the taxes levied by the City of Sturgeon Bay.

Each year the governing bodies of the various taxing agencies propose budgets for the next year. To finance the expenditures in the budget, they total all expected sources of revenue such as state aids and shared taxes, license fees and tuition. This is subtracted from the estimated expenditures. The remainder, which is the total amount to be collected through property taxes, is called the "tax levy." The amount of the tax levy for the City of Sturgeon Bay depends on the size of the City budget, which is determined by the Common Council. The levy is raised by multiplying the value of all the property in the City by a percentage, called the tax rate. The rate is the same for all property owners. When this tax rate is applied to the value of all the taxable property in the city, it will total to the exact amount of money needed for the levy to help finance City expenses. The tax rate is calculated by simply dividing the amount of taxes needed by the total assessed value of all taxable property in the City.

$$\text{Tax Rate} = \text{Levy} / \text{Total Assessed Value}$$

Once the rate is set, the assessed value of your property is used to determine your portion of the levy. The tax rate, when multiplied by the assessed value of your property, equals what you owe in taxes. The "tax rate" is often expressed in terms of dollars per thousand, or as a "mill rate." The entire taxation process requires the cooperation of several parts of City government. The Assessor sets the value of your property. The Mayor and Common Council determine the cost of City services, thereby establishing the tax rate necessary to generate funds for these services.

Differing with the Assessor's market value appraisal

If your opinion of the value of your property differs from the Assessor's appraisal, by all means come in and discuss the matter with us. The personnel in the Assessor's Office will be glad to discuss any questions you may have about our appraisal. If you have evidence that the appraisal is more than the actual fair market value of your property, we will welcome the opportunity to review all pertinent facts. After talking with us, if you still find a significant difference between our appraisal and what you feel is your property's market value, you may file a formal objection to your assessment. This objection must be filed with the Board of Review in writing at least 48 hours in advance of your appearance before the Board of Review.

Board of Review

The Board of Review consists of five citizen members appointed by the Mayor and confirmed by the Common Council. Similar to a court, the Board is charged with the responsibility of correcting errors of under- or over-assessments. The Board can act only upon evidence given in the form of sworn oral testimony. You should furnish significant evidence supporting your estimate of market value. An appraiser from our office will also present evidence relating to the market analysis performed on your property. Then the Board will decide to raise, lower, or leave unchanged the value of your property. Keep in mind that the Board can act only on evidence related to market value. Stating that taxes are too high is not relevant testimony.

The best evidence of value would be a recent sale price of your property plus an account of any change that the property has undergone between the date of sale and the assessment date. The sales price would have to be adjusted to reflect the change in property value between the date of the sale and the date of assessment. The next best evidence of market value would be sales prices of other properties in the neighborhood that are comparable to your property. Lacking either of the above, oral testimony by a qualified witness who has made a market value appraisal of the property is also good evidence. The Board will determine the market value of your property as indicated by the evidence submitted by you and by the Assessor.

You will be sent a written notice of the Board's determination after the hearing. You have the further right to appeal the Board of Review decision to the Circuit Court of Kenosha County. Under the law an appeal can also be taken from the Circuit Court decision to the State of Wisconsin Court of Appeals. You may also appeal the Board's determination to the Wisconsin Department of Revenue.

See us first

We hope this has given you a better idea of the work we do in the Assessor's Office and how it relates to the overall property tax structure. We believe the public has the right to know what we do and how we do it. If you would like further clarification on any point or if you have any other question, please come in and talk to our staff.

January 1 - The assessment date. All property is assessed as it exists on this date

January 31 - Full payment of taxes due unless paying in installments, then due date for this tax installment

March 1 - Last day to file personal property returns Last day to file for new property exemption

Second Monday in May - First meeting of the Board of Review

December - Tax bills mailed

End of December - Personal property blotters mailed